

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
WESTERN DIVISION

NO. 5:22-CR-22-1 (3)
NO. 5:22-CR-22-2 (3)

UNITED STATES OF AMERICA

v.

RABEE AKRAM MOHAMMAD ALWAN
ABDULRAHMAN MOHAMMED ALHUMAIDI
a/k/a "Abdulrham Mohammed Alhumaid"

)
)
) **INDICTMENT**
)
)
)

The Grand Jury charges that:

General Allegations

At all times relevant to this Indictment, the following circumstances pertained:

1. The regulatory restrictions on the distribution of tobacco products permits the federal government to impose an excise tax on the manufacturers of cigarettes, state governments to impose their own excise tax on the wholesalers of cigarettes, and retailers to collect sales tax. The interstate shipment of tobacco products is regulated by federal law. In addition to charging the state excise tax, Virginia, Pennsylvania, and New York, states involved in this Indictment, require that each pack of cigarettes sold at the retail level have a tax stamp affixed thereto evidencing the fact that they have been subject to that state's revenue authority. North Carolina does not have a stamp requirement. Generally, the stamps are purchased and affixed to the individual cigarette packs by the wholesalers. The

printing and issuance of such tax “stamps” is also closely regulated.

2. A standard “pack” of cigarettes consists of 20 individual cigarettes. A “carton” of cigarettes consists of 10 packs. A “case” of cigarettes can consist of either a “master case” which contains 60 cartons or a “half case” which consists of 30 cartons. Master cases are normally manufactured with a line printed around the middle of the case indicating where to cut the case to reduce it to two half cases. The purpose behind this is to enable the wholesaler to easily reduce a master case to a half case and thereby gain access to individual cartons allowing the wholesaler to affix the tax stamps. In practice, the retailer normally only receives shipments of half cases with the tax stamps already affixed to the individual packs.

3. A master case is a rectangular box approximately 11.5” x 17” x 22.5” and weighing 40 or 43 pounds depending on the size of the cigarettes. A master case contains 12,000 cigarettes (60 cartons x 200 cigarettes per carton).

4. State excise taxes vary by state. In North Carolina, from 2020-2021, the state excise tax was \$4.50 per carton. In comparison, state excise taxes in New York from 2020-2021 were \$43.50 per carton. New York City excise taxes were \$15 per carton, for a total \$58.50 per carton combining New York State and New York City taxes. Thus, during the relevant time period, the differential between the cost of a carton of cigarettes in North Carolina and the cost of the same carton in the northeast rose as high as \$54 per carton (\$58.50 minus \$4.50) or \$3,240.00 per master case. A commercial van carrying 60 master cases of cigarettes from North Carolina to New York City could result in a gross profit of as much as \$194,400.00 (60 master cases x

\$3,240.00).

COUNT ONE

Paragraphs 1 - 4 of the General Allegations section above are incorporated herein by reference.

From at least sometime in 2021, the exact date being unknown to the Grand Jury, and continuing thereafter until on or about November 4, 2021, in the Eastern District of North Carolina, and elsewhere, RABEE AKRAM MOHAMMAD ALWAN and ABDULRAHMAN MOHAMMED ALHUMAIDI, also known as “Abdulrham Mohammed Alhumaid,” defendants herein, and others both known and unknown to the Grand Jury, did knowingly combine, conspire, confederate and agree to commit offenses against the United States, that is, to ship, transport, receive, possess, sell, distribute and purchase contraband cigarettes, specifically, cigarettes in quantities exceeding 10,000, which bore no evidence of the payment of applicable State or local cigarette taxes in the State and locality where they were found, in violation of Title 18, United States Code, Section 2342(a).

Object of the Conspiracy

The object of the conspiracy was to profit from the illicit trade in large quantities of cigarettes, purchased with cash in North Carolina, driven to the northeast and distributed without payment of applicable state taxes.

Manner and Means of the Conspiracy

The conspiracy was carried out by defendants RABEE AKRAM MOHAMMAD ALWAN (hereinafter “ALWAN”) and ABDULRAHMAN MOHAMMED

ALHUMAIDI, also known as “Abdulrham Mohammed Alhumaid,” (hereinafter “ALHUMAIDI”) repeatedly purchasing large quantities of cigarettes from North Carolina wholesalers and tobacco shops in Rocky Mount and Wilson, North Carolina, storing the cigarettes at a residence for subsequent interstate shipment, and thereafter traveling in large vehicles to Virginia, New York, Pennsylvania, and other states for the purpose of transporting such cigarettes outside the legitimate stream of regulated commerce.

Overt Acts

In furtherance of the conspiracy and in order to affect the object thereof, the defendants did commit, among others, the following overt acts:

1. On or about August 29, 2021, ALWAN met with an individual unknown to the Grand Jury (hereinafter “Individual # 1”) at the residence of ALWAN in Clayton, North Carolina, and loaded multiple half cases of cigarettes from an attached garage into a sport utility vehicle (hereinafter “SUV”). Individual # 1 left the residence of ALWAN in his vehicle and traveled towards I-95.

2. On or about August 30, 2021, an individual unknown to the Grand Jury (hereinafter “Individual # 2”) driving an SUV arrived at the residence of ALWAN in Clayton, North Carolina, and backed the vehicle up to the attached garage. ALWAN opened the garage door, and Individual # 2 loaded multiple half cases of cigarettes from the garage into the SUV. Individual # 2 covered the cigarettes with a black or dark colored sheet.

3. On or about August 30, 2021, Individual # 2 left the residence of ALWAN in his vehicle and traveled northbound on I-95. Individual # 2 crossed into the Commonwealth of Virginia in possession of multiple half cases of cigarettes.

4. On or about September 2, 2021, ALWAN and ALHUMAIDI met at the residence of ALWAN in Clayton, North Carolina. ALWAN and ALHUMAIDI loaded multiple half cases of cigarettes into an SUV from the attached garage at the residence of ALWAN. After the vehicle was loaded with multiple half cases of cigarettes, ALHUMAIDI drove the SUV northbound on I-95. ALHUMAIDI crossed into the Commonwealth of Virginia in possession of 908 cartons of cigarettes.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO

Paragraphs 1 - 4 of the General Allegations section above are incorporated herein by reference.

On or about September 2, 2021, in the Eastern District of North Carolina, and elsewhere, RABEE AKRAM MOHAMMAD ALWAN, defendant herein, aiding and abetting another person, did knowingly ship, transport, receive, and possess 908 cartons of contraband cigarettes, as that term is defined in Title 18, United States Code, Section 2341, that is, a quantity of more than 10,000 cigarettes which bore no evidence of the payment of applicable State cigarette taxes in the Commonwealth of Virginia.

In violation of Title 18, United States Code, Sections 2342(a) and 2.

COUNT THREE

From at least sometime in 2021, the exact date being unknown to the Grand Jury, and continuing thereafter until on or about November 4, 2021, in the Eastern District of North Carolina, and elsewhere, RABEE AKRAM MOHAMMAD ALWAN and ABDULRAHMAN MOHAMMED ALHUMAIDI, also known as “Abdulrham Mohammed Alhumaid,” defendants herein, and others both known and unknown to the Grand Jury, did knowingly combine, conspire, confederate and agree to commit offenses against the United States in violation of Title 18, United States Code, Section 1956, to wit:

(a) to knowingly conduct and attempt to conduct financial transactions affecting interstate and foreign commerce, which involved the proceeds of a specified unlawful activity, that is, cigarette trafficking, with the intent to promote the carrying on of specified unlawful activity, and that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(A)(i); and

(b) to knowingly conduct and attempt to conduct financial transactions affecting interstate commerce and foreign commerce, which transactions involved the proceeds of specified unlawful activity, that is, cigarette trafficking, knowing that the transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership and control of the proceeds of specified unlawful activity, and that while conducting and attempting to conduct such financial transactions,

knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

All in violation of Title 18, United States Code, Section 1956(h).

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FORFEITURE NOTICE

Notice is hereby given that all right, title and interest in the property described herein is subject to forfeiture.

Upon conviction of any violation of 18 U.S.C. § 2342, or a conspiracy to commit such offense, the defendant shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C), as made applicable by 28 U.S.C. § 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the said offense, and, pursuant to 18 U.S.C. § 2344(c), any contraband cigarettes or contraband smokeless tobacco involved in the said violation.

Upon conviction of any violation of 18 U.S.C. §§ 1956, 1957 or 1960 charged herein, the defendant shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(1), any property, real or personal, involved in such offense, or any property traceable to such property.

Upon conviction of any violation of the Gun Control Act, the National Firearms Act, or any other offense charged herein that involved or was perpetrated in whole or in part by the use of firearms or ammunition, the defendant shall forfeit to the United States, pursuant to 18 U.S.C. § 924(d) and/or 26 U.S.C. § 5872, as made applicable by 28 U.S.C. § 2461(c), any and all firearms and ammunition that were involved in or used in a knowing or willful commission of the offense, or that were intended to be used in any offense identified in 18 U.S.C. § 924(d)(3), or, pursuant to 18 U.S.C. § 3665, that were found in the possession or under the immediate control of the defendant at the time of arrest.

The forfeitable property includes, but is not limited to, the following:

Personal Property:

- (a) Approximately 908 cartons of cigarettes, seized on September 2, 2021 from ABDULRAHMAN MOHAMMED ALHUMAIDI, also known as “Abdulrham Mohammed Alhumaid,” in Prince George County, Virginia.
- (b) Approximately 1,656 cartons of cigarettes, seized on November 4, 2021 from RABEE AKRAM MOHAMMAD ALWAN in Johnston County, North Carolina.
- (c) \$74,154 in United States currency seized on November 4, 2021 from RABEE AKRAM MOHAMMAD ALWAN, in Johnston County, North Carolina.
- (d) One Norinco, Model Mac-90, .762 x39 caliber assault rifle, bearing serial number 9346932, seized on November 4, 2021 from 27 Roterham Drive, Clayton, North Carolina 27527 and any associated ammunition, magazines, or accessories.
- (e) One JTS, 12 gauge shotgun, bearing serial number ML2007269, seized on November 4, 2021 from 27 Roterham Drive, Clayton, North Carolina 27527 and any associated ammunition, magazines, or accessories.
- (f) One Cugir Arms Factory, WASR, Model 10, .762 x 39 caliber rifle, bearing serial number A1603013, seized on November 4, 2021 from 27 Roterham Drive, Clayton, North Carolina 27527 and any associated ammunition, magazines, or accessories.
- (g) One Benelli, Model Nova, 12 gauge shotgun, bearing serial number Z741810114, seized on November 4, 2021 from 27 Roterham Drive, Clayton, North Carolina 27527 and any associated ammunition, magazines, or accessories.
- (h) One Zastava, GR Douglas, .458 caliber Winchester rifle, serial number A9004, seized on November 4, 2021 from 27 Roterham Drive, Clayton, North Carolina 27527 and any associated ammunition, magazines, or accessories.

- (i) One Smith and Wesson, Model MP-15, .22 caliber rifle, bearing serial number LAC9021, seized on November 4, 2021 from 27 Roterham Drive, Clayton, North Carolina 27527 and any associated ammunition, magazines, or accessories.
- (j) One VTS, Model Escort, 12 gauge shotgun, bearing serial number 918061, seized on November 4, 2021 from 27 Roterham Drive, Clayton, North Carolina 27527 and any associated ammunition, magazines, or accessories.
- (k) One FD, Model 12, 12 gauge shotgun, bearing serial number 20BLP27187, seized on November 4, 2021 from 27 Roterham Drive, Clayton, North Carolina 27527 and any associated ammunition, magazines, or accessories.
- (l) One Mossberg, Model Maverick 88, 12 gauge shotgun, bearing serial number MV0586786, seized on November 4, 2021 from 27 Roterham Drive, Clayton, North Carolina 27527 and any associated ammunition, magazines, or accessories.
- (m) One Smith and Wesson, Model MP15, .223 caliber rifle, bearing serial number SX15581, seized on November 4, 2021 from 27 Roterham Drive, Clayton, North Carolina 27527 and any associated ammunition, magazines, or accessories.
- (n) One Desert Eagle, .50 caliber pistol, bearing serial number DK0063941, seized on November 4, 2021 from 27 Roterham Drive, Clayton, North Carolina 27527 and any associated ammunition, magazines, or accessories.
- (o) One Ruger, Model SR1911, .45 caliber pistol, bearing serial number 67193028, seized on November 4, 2021 from 27 Roterham Drive, Clayton, North Carolina 27527 and any associated ammunition, magazines, or accessories.

- (p) One Ruger, Model EC95, .9mm pistol, bearing serial number 45505975, seized on November 4, 2021 from 27 Roterham Drive, Clayton, North Carolina 27527 and any associated ammunition, magazines, or accessories.
- (q) One Kimber, Model Custom 2, .45 caliber pistol, bearing serial number, KNRA080565, seized on November 4, 2021 from 27 Roterham Drive, Clayton, North Carolina 27527 and any associated ammunition, magazines, or accessories.
- (r) One Ruger, Model GP100, revolver, bearing serial number 17298756, seized on November 4, 2021 from 27 Roterham Drive, Clayton, North Carolina 27527 and any associated ammunition, magazines, or accessories.
- (s) One Ruger, Model GP100, revolver, bearing serial number NRA41221, seized on November 4, 2021 from 27 Roterham Drive, Clayton, North Carolina 27527 and any associated ammunition, magazines, or accessories.
- (t) One Kimber, Model Custom 2, .45 caliber pistol, bearing serial number, K722466, seized on November 4, 2021 from 27 Roterham Drive, Clayton, North Carolina 27527 and any associated ammunition, magazines, or accessories.
- (u) One Kimber, Model Micro, .9mm caliber pistol, bearing serial number, PB0285021, seized on November 4, 2021 from 27 Roterham Drive, Clayton, North Carolina 27527 and any associated ammunition, magazines, or accessories.
- (v) One Glock, Model 19, .9mm caliber pistol, bearing serial number NLN724, seized on November 4, 2021 from 27 Roterham Drive, Clayton, North Carolina 27527 and any associated ammunition, magazines, or accessories.
- (w) One Kimber, Model Ultra Carry 2, .45 caliber pistol, bearing serial number KU363638, seized on November 4, 2021 from 27 Roterham Drive, Clayton, North Carolina 27527 and any associated ammunition, magazines, or accessories.

- (x) One Glock, Model 22, .40 caliber pistol, bearing serial number NBP732, seized on November 4, 2021 from 27 Roterham Drive, Clayton, North Carolina 27527 and any associated ammunition, magazines, or accessories.
- (y) One Kimber, Model LW, .45 caliber pistol, bearing serial number, K774245, seized on November 4, 2021 from 27 Roterham Drive, Clayton, North Carolina 27527 and any associated ammunition, magazines, or accessories.
- (z) One Rock Island Armory, .45 caliber pistol, bearing serial number RIA1017582, seized on November 4, 2021 from 27 Roterham Drive, Clayton, North Carolina 27527 and any associated ammunition, magazines, or accessories.

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If any of the above-described forfeitable property, as a result of any act or omission of a defendant: cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third party; has been placed beyond the jurisdiction of the court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty; it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of said defendant up to the value of the forfeitable property described above.

A TRUE BILL

REDACTED VERSION

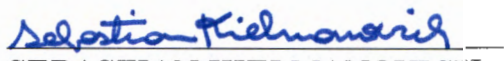
Pursuant to the E-Government Act and the federal rules, the unredacted version of this document has been filed under seal.

FOREPERSON

DATE

1/20/2022

MICHAEL F. EASLEY, JR.
United States Attorney


SEBASTIAN KIELMANOVICH
Assistant United States Attorney